

MEETING SUMMARY NOTES

Cost Savings & Efficiency Work Group

October 29, 2002

7:30 a.m., Room 113, County-City Building

MEMBERS: Present – Russ Bayer, Jennifer Brinkman, Mark Brohman, Carol Brown, Jon Carlson, Duane Hartman, Rick Krueger, Greg MacLean, Melinda Pearson, Jerry Schleich, Greg Wood, Patte Newman, Allan Abbott (non-voting). Absent – Brian Carstens, Duane Eitel, Mark Hunzeker, Roger Reynolds

OTHERS: Kent Morgan, Marvin Krout, Dan Marvin, Steve Masters

AGENDA ITEMS DISCUSSION:

1. **Welcome - Russ Bayer, Work Group Chair & Committee Tri-Chair**
2. **Self Introductions and Membership Information Form**

Self introductions were made by all of the Work Groups members present at the meeting, along with staff and other in the audience. “Membership Information Forms” were distributed to members of the Work Group. Work Group members were asked to complete the information called for on the Form and to return it to staff as they left the meeting. A list of the names of the Cost Savings and Efficiency Work Group members was also handed out.

3. **Process Organization and Management Overview**

Kent Morgan explained the overall organizational structure of the process. The main Infrastructure Finance Committee is composed of 13 voting members and 1 nonvoting member (i.e., Allan Abott), with Russ Bayer, Jan Gauger, and Brad Korell serving as Tri-Chairs. There are three “Work Groups” that will report back to the full Committee. The Work Groups include members from the full Committee along with other community volunteers. The three Work Groups will address “Cost Savings and Efficiency,” “Financing,” and “Legislation.” The Tri-Chairs will be responsible for reporting back to the full Committee on the progress of the individual Work Groups.

4. **Committee and Work Group Charge**

Kent Morgan then distributed copies of the “Mayor’s Infrastructure Finance Committee: Charge to the Committee.” He described the overall purpose of the effort as reaching a consensus on a

“realistic comprehensive financial package” to help maintain the City’s present infrastructure while also providing the infrastructure necessary to accommodate future urban expansion. He then reviewed the five “Key Working Assumptions” outlined in the Charge Statement. These include the use of the adopted Comprehensive Plan as the basis for determining growth rates, direction of growth, and phasing of growth; the need to seek a “balanced funding approach” that reflects a priority system giving primary consideration to existing facilities, followed by projects of broad community benefit (such as the Beltways and Antelope Valley) and improvements for urban growth; the infrastructure elements to be considered by the Committee and Work Groups is to be limited to streets, water, wastewater, stormwater, and parks; a time horizon of 6 years and a long range strategy (as appropriate) is to be followed; and a system of impact fees (as outlined in the Mayor’s August 26, 2002, proposal as amended) is to be assumed available to meet future infrastructure funding needs.

Mr. Morgan also described the more specific charge to the Cost Savings and Efficiency Work Group, including holding a workshop to “brainstorm ideas” for the efficient delivery of infrastructure; and examining the “timing, prioritization, staging, and phasing options for infrastructure improvements.” As noted in the Charge Statement, the deadline for the completing of the entire process is June 1, 2003; although the Work Group needs to complete its work in advance of that date to ensure that the full Committee can produce a unified document. Mr. Morgan noted that should the Work Group desire consultant support, they should make that desire known to Russ Bayer in his role as a Tri-Chair. The Work Group had no questions regarding the Charge Statement.

5. Work Group Protocol

Kent Morgan distributed copies of the “Meeting Protocol Discussion Draft.” This document presents the general rules and procedures to be followed by the Committee and Work Groups. He brought to the Work Group’s attention four areas within the draft: (1) “Meeting Participation,” which provides that only members and supporting staff can speak during the meetings; (2) “Receipt of Public Comments, which provides options for allowing the public to address the Committee and Work Groups; (3) “Group Decision Making,” which offers alternatives for arriving at a common decision; and (4) “Meeting Attendance,” which sets attendance standards for members and their removal if they incur five or more absences.

Russ Bayer indicated that he preferred the approach that provides an opportunity at each meeting for the public to speak to the Work Group. Up to 10 minutes would be set aside at each Cost Savings and Efficiency Work Group meeting for public comments, with individual speakers limited to 3 minutes each. The Work Group agreed with the use of this approach. Mr. Bayer then indicated that the full Committee was using the “consensus approach,” which he prefers for the Work Group as well. There was general agreement among the Work Group members that this is the approach they will use.

6. Workshop Format Options

7. Discussion of Workshop Topics (What are the real issues?)

(The discussion on agenda items 6 and 7 were combined.)

Russ Bayer began the discussion by noting that the members of the Work Group were selected to ensure that there was a “diversity of skills” available in meeting the Group’s charge. While the Work Group is advisory, it has the range of backgrounds and interests to produce a thoughtful and credible set of recommendations. In accomplishing this task, Mr. Bayer indicated that the initial thought was to have the Work Group hold a charrette – a.k.a., workshop – to gather ideas on cost saving approaches that could be used by the City. The Work Group is not bound by this suggested approach and could use other techniques if they so desire. Patte Newman indicated that it was perhaps premature at this point to make such a decision; she wanted to hear more about the issues and options.

Allan Abbott stated what the Work Group begin by talking about “what are the real questions regarding cost savings and efficiency?” He further noted that the Work Group needs time to flush out the critical elements of infrastructure planning and programming. Melinda Pearson mentioned that there is also a need as part of this process to talk to Lancaster County on how they approach infrastructure development – suggesting that a meeting with the County would be a good way to do this.

Jon Carlson stated that the workshop approach is really a means of “brainstorming” about issues and approaches. He felt “the sooner the better” was the best approach to take in holding the workshop. Jennifer Brinkman said that she agreed with the workshop approach and that it was important to do this quickly. She cautioned, however, that there also needs to be built into this process a way for people to react to suggestions that may come out of such an event.

Greg MacLean asked about the overall format of such a workshop and what’s going to be done as part of it. Melinda Pearson noted that during the Comprehensive Plan process much of the Committee’s work was supported by staff explaining various aspects of the plan; and perhaps that sort of thing could be integrated into a work shop setting. Patten Newman suggested that perhaps a “presession” would allow for issues to be identified; and then follow this up with a half-day session to talk about matters in further detail. Allan Abbott noted that he was concerned about how “detailed” the discussion might become – should the Work Group talk about the size and materials of sewer pipes?, or is that too technical in nature? Also, Mr. Abbott posed the question of whether this effort should deal with infrastructure elements “inside and outside of subdivisions?” Russ Bayer indicated he felt this Group’s charge was really directed to cost savings on infrastructure elements outside of developments, such as arterial streets and major water and sewer mains.

Greg MacLean recommended that everyone on the Work Group be asked to submit their ideas on what they view as the issues and to have staff compile a list of these ideas before the next meeting so that the Group could discuss them. There seemed to be a general sense that this was

a good idea but that the Group needed further discussion before committing to such an assignment.

Kent Morgan then distributed a “Workshop Approach Discussion Outline” to the Work Group. He indicated that this was meant as a checklist of items for the Group to consider should they wish to hold a workshop. Mr. Morgan noted that the handout offered several approaches for conducting a workshop, including options for how many sessions, how long the sessions might be, what the discussion format might entail, the session’s overall staffing needs, the scheduling of the session, and potential location considerations.

Russ Bayer then asked Allan Abbott to offer some general thoughts on the issues he sees as the City Public Works and Utilities Director regarding infrastructure provision. Allan Abbott indicated that the key to infrastructure financing and service delivery “all depends on timing” -- the issue depends largely on when the community wants the “cinnamon areas” shown in the Comprehensive Plan opened up for development. This relates to the “timing of city expansion.” The Salt Creek sanitary sewer trunk line, for example, is at capacity. A relief line is being installed. This takes time and money to plan and build. This should be done before other newly identified areas are made available for development. Mr. Abbott noted that the “opening up of Stevens Creek” will take time – improvements need to be made in the Northeast Treatment Plant and collection and distribution mains need to be built. In addition, there is not a street system in place to support the traffic which new development in Stevens Creek will bring. Anywhere from 4 to 6 years of planning and programming are needed to accomplish the task of bringing new infrastructure on-line. Mr. Abbott stated that determining “when the area is to be opened up” is the key to the decision making process.

Mr. Abbott went on to note that it has been suggested that a “force main” could be used to provide sanitary sewer services to Stevens Creek and in turn speed the pace of the area’s urbanization. This presents other issues -- for example, such mains are not tapable and a relief sewer costing millions of dollars would need to be built parallel to such a main at some point in the future in order to serve the entire basin. We need stability within the planning and programming process in order to efficiently deliver services. Most infrastructure improvements have 50 to 75 year life spans and we need to respect this as improvements are planned and constructed. In the area of water provision, the City needs to find a new (additional) water source for the long term. This is an important objective and can effect the timing and location of future mains and reservoirs.

Mr. Abbott continued by remarking about how “maintaining the system is key” to long term cost savings and efficiencies -- this is more than just replacing busted pipes. The system continues to age and major repairs are beginning to be needed. Such improvements should be done as part of a “regular replacement system.” The expansion of the sanitary sewer treatment plant is also a major issue for PW&U. A primary starting point is the required upgrading to meet nitrification treatment standards. This has been an on-going matter for the sanitary sewer system and is hopefully nearing resolution. The process has taken 10 years – the good news is that the original estimate of \$35 million in needed improvements may be scaled down to costs in the mid-\$20

million range. This could potentially free up funds that would have been needed for the plant's upgrading.

Regarding the topic of road standards, Mr. Abbott felt that the Comprehensive Plan's basic standard of 120 feet of right-of-way was reasonable and necessary. It will be needed for future 4 lane roadway facilities – such road configurations may not be built initially but will be needed “eventually.” The Group's discussion should consider the question of whether to build these facilities “all at once or by phasing” them over many years. The “build them over many years” approach has been our norm, but brings with it significant disruption and costs to the surrounding homes and businesses.

In terms of infrastructure priorities, Mr. Abbott felt that roads were number 1, followed by water and then wastewater. In short, what do we build and when do we build it? What conditions are we willing to accept for our current street system? How will traffic operations cope with construction in areas where development had or is taking place? How can we work with the County to improve the transition from rural to urban cross sections? How can technical engineering issues of elevations and off-set be addressed? Mr. Abbott suggested that the Work Group needs to determine if these questions are pertinent to the Group's charge.

Melinda Pearson noted that she recalled from the Comp Plan process that streets were the greatest infrastructure cost item. Allan Abbott indicated that yes, the construction of four lane roadways and other major highway system improvements are very expensive and have the greatest price tag. However, the cost of other infrastructure facilities is also great and shouldn't be dismissed.

Rick Krueger indicated that from the perspective of development, the installation of sanitary sewer and water is the most critical element and everything else stems from these. The City and County need to work more closely together to ease the transition from a rural to urban environment. Allan Abbott noted again that we should plan for all the arterial streets to be four lanes and thus we should be obtaining the right-of-way necessary to support this planning objective. The issue comes down to staging. We need to plan and build toward what the projected traffic demands will become in the future. In the interim, the City must be careful to accommodate turning movements resulting from the new development. Rick Krueger indicated that he felt the Comp Plan committee has reached a consensus that three lane cross sections were adequate for interior streets, such as 40th, 56th, etc.

Patte Newman felt that South 14th Street leading to the new Southwest High School was an example of how greater coordination and planning needed to occur. Allan Abbott agreed that the phasing of arterial development is a critical link in this discussion. He noted that the real question is “what is the best use of your money?” That includes the long term perspective – in short, we should not be “doing it on the cheap.”

Russ Bayer raised the question of “how to measure success.” Is it strictly an issue of “dollars and cents?” or are there other criteria? He asked that staff provide the Work Group with a more

detailed look at the assumptions used in calculating the projected funding gap. Allan Abbott stated that this could be done, but that the Work Group and others need to understand that phasing does and will affect the final cost of projects. Russ Bayer then suggested that it would be useful to have figures that look not only a 6 year time horizon but also a 12 year perspective.

Rick Krueger stated that it seems like the City only build roads once they have all of the necessary funds in hand. Allan Abbott said that the Administration has altered this policy and are now trying to work toward project initiation based on projected flows of funds – thus resulting in projects being completed sooner than under the previous approach. Rick Krueger acknowledged that “saving time is another form of efficiency.” Patte Newman indicated that she felt it was more efficient to obtain the necessary right-of-way today rather than wait until the future when an area has become fully developed.

Russ Bayer then redirected the discussion toward the matter of using the workshop approach as a means for the Work Group to address their charge. He pondered whether two all-day sessions, or three half day sessions might work out best. Carol Brown indicated that she’d like to see the sessions held at various locations throughout the City, and perhaps use public schools as the sites. The availability of parking should be considered as well. Russ Bayer thought that it wasn’t realistic to have any sessions until January, with perhaps three evening sessions running from 6:00 p.m. to 10:00 p.m. Another member suggested a 6 to 9 time frame might work better if the sessions were held during the week. Russ Bayer asked that the Work Group refine these decisions at the next meeting of the Group.

Rick Krueger then mentioned again the issue of the time frame to be used for any sort of funding gap and phasing analysis. Russ Bayer mentioned that he still felt that 6 and 12 year planning horizons were the best, given that the Priority A area shown in the Comp Plan could be assumed to have a programming time horizon of a dozen years.

Russ Bayer then indicated that topics he like addressed at upcoming Work Group meetings included: the Comprehensive Plan’s development and phasing program, PW&U’s projected funding gap, how that gap was calculated (including the detail cost elements used in its formulation), suggestions from the Work Group on cost savings and efficiencies, and finalizing the workshop format.

Greg Wood wanted to know how overlaps between the Committee and Work Groups would be dealt with. Russ Bayer indicated that there would be meeting summary notes prepared and distributed among the various bodies. Also, the Tri-Chairs will report back to the full Committee on at least a monthly basis on the progress of each Work Group.

Carol Brown asked what sort of plans Public Works and Utilities has for “older areas” of the City. Allan Abbott noted that they don’t have detailed plans in place – rather, they tend to base these work programs on projects and plans undertaken over the immediate past five years.

8. Other Business

No “other business” items were raised by the Work Group members.

9. Next Meeting Date and Agenda Topics

Russ Bayer suggested that the next Work Group meeting be held in one week, on Tuesday, November 5, 2002. It was agreed that the next meeting would be on November 5th beginning at 4:00 p.m. and running till approximately 5:30 p.m.

Jerry Schliech then raised the question of how the situation along South 14th Street between Old Cheney Road and Pine Lake Road could arise. He suggested there needed to be better coordination with the Lincoln Public Schools in the location and timing of their facilities. Carol Brown agreed, saying that better coordination was essential.

Mayor Wesely addressed the Work Group, thanking them for their help and willingness to serve. He noted that this is a very important task they had been charged with and that their time would be well spent in helping the community through this often difficult and controversial effort.

10. Adjournment

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